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28 June 1960

ACHIEVEMENT AWARDS FOR DIRECTED LANGUAGE STUDY

Problem

1. To evaluate the reasonableness of granting Achievement Awards for language proficiencies attained through directed language study.

Background

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2. [REDACTED] first published in January 1957, established among other things an Achievement Award system which provides money payments to employees who attain specified proficiencies in designated foreign languages. Awards for proficiencies acquired through voluntary training are twice as large as Awards in connection with directed training. Subsequent revisions of [REDACTED] including the one issued in May 1960, have changed many features of the Awards program but have not disturbed the provision making persons who acquire skills through directed study eligible for Awards.

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3. We are now asked to re-examine whether Achievement Awards in connection with directed language study are proper, the argument being advanced that persons acquiring skills in this manner (i.e. on duty time) have already been compensated for their efforts and should not be paid twice.

Discussion

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5. Incentive pay is therefore an inducement. It is not a form of reward, nor extra compensation for something done. Neither is it a form of recognition. It is purely and simply a means of inducement--to get people to do something which is very important to the organization offering the pay and which they would not do as readily or as well in the absence of such inducement. When we lose sight of this fundamental principle in administering incentive plans, things go awry. This lesson is brought home so very clearly in the famous Hook Commission Report on Career Compensation for the Uniformed Services which was prepared in 1948 for the Secretary of Defense and contains perhaps the most comprehensive and lucid study of incentive plans that has ever been done.

6. If we accept the thesis of the preceding paragraph, there can be no valid objection to incentive pay (of which language Achievement Awards are one form) on the grounds that recipients have already been compensated in other ways or that a particular recipient does not "need" the pay. If we are to object at all, then our complaint should be aimed at one of the following:

- a. Whether the thing involved is of sufficient importance to warrant the inducement offered.
- b. Whether people have to be induced to do the thing desired.
- c. Whether the particular form of inducement selected is appropriate or efficient.

7. There are ample precedents for the Achievement Awards CIA is offering. Within the Agency there are such other forms of incentive pay as: hardship allowances, extra pay for scientists, flight pay--to mention three. In the language field, the British and Canadians have fairly well-known incentive plans, and the State Department hopes soon to initiate its Language Incentive Program. None of these three language plans contains any restriction as to how individuals must acquire their skill; but they do contain some other concepts we might do well to emulate more closely. For example, they tie incentive pay directly to the use of the languages involved. Also the inducement features are more prominent than they are in CIA's plan; the British and State plans, for instance, exclude incentive pay for common European languages, and weight the amounts of awards according to the need for the language, not according to its difficulty. The concept of "achievement"

of new languages is prominent only in CIA; other incentive plans stress use, irrespective of when or how the individual may have come by his language proficiency.

8. Certainly we need have no fear that Congress or the Bureau of the Budget would approve Awards for voluntary language training but object to those for directed training. Any distinction between the two types of Awards is one of CIA's doing. It is assumed that training to support State's language program will be directed (see "omnibus" Amendment to the Foreign Service Act--S-2633 and 16 April '59 Report of Hearing before a Subcommittee on Foreign Relations, U. S. Senate). We might conceivably get some criticisms from Congress or BOB but, if so, they would be on one of the points mentioned in paragraph 6 and not on the point of directed vs. voluntary training.

9. In the recent coordination of [redacted] DD/P specifically noted his approval of Awards for directed training (DD/P memo to DD/S, 26 April 60, Subject: [redacted] Language Development Program). DD/I, DD/S and the IG impliedly reaffirmed their approval of such Awards by concurring in the published version of the regulation.

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10. As a matter of perspective, Tab A lists all Achievement Awards made to date (1 Feb 1957 - 1 May 1960) in connection with directed training, and shows: languages involved, levels achieved, and amounts paid. The total paid for Awards involving directed training is \$22,700-- just under 12% of the total for all Achievement Awards (\$190,275) and 5.5% of all Award payments (\$414,275).

Conclusions

11. There is no valid basis for the argument that persons acquiring language skills through directed training should not receive Achievement Awards because they have already been compensated for their efforts.

12. Whatever valid objections can be made with respect to Awards for particular skills acquired through directed training could also be made even though the skills were acquired through voluntary training.

13. OTR should subject its Language Awards Program to continuous review, measuring it against the 3 points noted in paragraph 6 above.

Recommendations

14. Recommend acceptance of the conclusions stated above and assignment of responsibility to the Chairman of the Language Development Committee, under staff supervision of the Chiefs of LAS and PPS, for carrying out the action stated in paragraph 13.